

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 174 - HB 178

March 22, 2015

SUMMARY OF BILL: Makes the policy cancellation date and the policy reinstatement date of any workers' compensation insurance policy, which is obtained by the Commissioner of the Department of Labor and Workforce Development, to be considered records open to the public for personal inspection.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$10,000/FY15-16/Division of Workers' Compensation

\$5,000/FY16-17 and Subsequent Years/Division of Workers' Compensation

Increase State Expenditures –

\$10,000/FY15-16/Division of Workers' Compensation

\$5,000/FY16-17 and Subsequent Years/ Division of Workers' Compensation

Assumptions:

- The Division of Worker's Compensation (DWC) reports this bill will require system modifications in order for the division to run queries on policy cancellation dates and policy reinstatement dates when open records requests are made for records based on either cancellation dates or reinstatement dates.
- Based on the information provided by the DWC, the one-time increase in state expenditures is estimated to be \$5,000.
- Based on other information provided by the DWC, the recurring increase in state expenditures as a result of providing additional copies of records pursuant to an increased number of open records requests prompted by passage of the bill is estimated to be \$5,000 per year.
- The DWC confirms the ability to charge a fee for copies of records requested pursuant to open record requests via 2008 rule SS-7040.
- The division states that the charge will be established with the intent to recoup costs associated with producing the reports. It is presumed that the fee established pursuant to the rule, and pursuant to open record requests that will be made as a result of the bill, will be sufficient for recouping the one-time state expenditure that will be incurred for system modifications, and that such fees will be adjusted accordingly following the recoupment of the one-time state expenditure.
- Therefore, an increase in state revenue of \$10,000 in FY15-16 and a recurring increase in state revenue of \$5,000 beginning in FY16-17.

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IMPACT TO COMMERCE:

Increase Business Revenue - \$5,000/FY15-16

Increase Business Expenditures - \$5,000/FY15-16 and Subsequent Years

Assumptions:

- A one-time increase in business revenue of \$5,000 to the vendor who makes the necessary system modifications for the DWC.
- A recurring increase in business expenditures of \$5,000 for businesses electing to purchase workers' compensation reports.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/dwl